

ATTACHMENT G – COST PROPOSAL

PART 1 NURSE TRIAGE AND ADVICE TELEPHONE SERVICES

Proposer Name: Keystone Peer Review Organization, Inc.

Proposer Authorized Representative: Joseph A. Dougher

1. List each position title and the fully loaded hourly rate for the position. (Add lines as needed.)

Position	Hourly Rate	Annual Hrs	FTE	Annual Cost
a. Client Services Coordinator	\$74.38	3,056	1.60	\$227,267
b. Medical Director	\$340.27	57	0.03	\$19,436
c. Executive Director	\$186.98	95	0.05	\$17,800
d. Clinical Operations Manager	\$146.29	129	0.07	\$18,925
e. Office Manager	\$81.00	129	0.07	\$10,479
f. Reporting Analyst	\$81.00	95	0.05	\$7,711
g. CSC Supervisor	\$85.73	586	0.31	\$50,226
		<u>4,148</u>	<u>2.18</u>	<u>\$351,845</u>
Monthly Rate				\$29,320

2. Cost Proposal – Nurse Triage and Advice Telephone Services

Direct Labor/Personnel: \$15,370

Direct Non Labor: \$10,126

Indirect or Overhead: \$3,824

TOTAL PROPOSED MONTHLY RATE: \$29,320

3. Description of calculation method and additional information. (Add pages as needed.)

Using our current knowledge and experience with this contract, the pricing methodology is based on the expected call volumes and average triage time for calls during normal hours of operation, using metrics derived through our current execution of this service. Also included are allocated hours for Management, Medical Director, Supervisory and Data Analytics. After-hours support is provided through a contracting arrangement, the cost of which is included in Direct non-labor. Other Direct non-labor costs also include Native American liaison support and a proportionate share of clinical materials, newsletters, postage, data processing, user licenses, telephone, and equipment costs.

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PART 2 CARE COORDINATION AND CASE MANAGEMENT

Proposer Name: Keystone Peer Review Organization, Inc.

Proposer Authorized Representative: Joseph A. Dougher

1. List each position title and the fully loaded hourly rate for the position. (Add lines as needed.)

Position	Hourly Rate	Annual Hrs	FTE	Annual Cost
a. Field Health Professional	\$108.04	20,362	10.69	\$ 2,199,974
b. Client Services Coordinator	\$70.22	6,875	3.61	\$ 482,793
c. Medical Director	\$413.02	1,752	0.92	\$ 723,482
d. Executive Director	\$215.39	1,714	0.90	\$ 369,101
e. Clinical Operations Manager	\$162.94	1,775	0.93	\$ 289,156
j. Office Manager	\$78.76	1,775	0.93	\$ 139,777
k. QI Coordinator	\$103.16	1,904	1.00	\$ 196,421
l. Reporting Analyst	\$78.76	952	0.50	\$ 74,983
m. Clinical Supervisor	\$117.80	1,904	1.00	\$ 224,294
n. CSC Supervisor	\$84.86	1,318	0.69	\$ 111,863
		<u>40,330</u>	<u>21.18</u>	<u>\$ 4,811,844</u>
Members				110,000
PMPM				\$ 3.65

2. Cost Proposal – Care Coordination and Case Management

Direct Labor/Personnel: \$2.70

Direct Non Labor: \$0.47

Indirect or Overhead: \$0.48

TOTAL PROPOSED PER MEMBER PER MONTH RATE: \$3.65

3. Description of calculation method and additional information. (Add pages as needed.)

The pricing methodology is based on a monthly average population of 110,000 with the expected case volumes stratified across five levels of acuity. Using our intimate knowledge and experience from the past, we have carefully calculated the average number of interventions based on acuity level, ranging from monthly phone intervention to weekly on-site visits, depending on need. In addition to the direct clinical support, Direct Labor also includes new member outreach as well as allocated hours for Management, Medical Director, Supervisory and Data Analytics which support the entire program. Direct non-labor costs include Native American liaison support as well as on-site field support travel and a proportionate share of clinical materials, quarterly newsletters, postage, data processing, user licenses, telephone and equipment costs. KEPRO is also accustomed to the terrain and nuances of the Oregon population, local areas of critical need, and specific challenges our patients face. See below for specific details based on last years interventions.

Oregon Program Interventions Completed
May 2015 - January 2016

Level of Care	Acuity Level						TOTAL
	LOW	MEDIUM (DM)			HIGH (CM)		
	0	1	2	3	4	5	
Full	289	2,066	2,730	2,170	3,008	1,609	11,872
New	9,647	42	3,569	1,985	1,245	5,953	22,441
Low - Enrolled	356	54	235	221	133	207	1,206
Partial	19	5,659	21	49	369	3,824	9,941
Low - Managed Outside of DM	153	441	101	235	371	121	1,422
Low - Unable to Reach	4,308	41	572	1,035	2,095	4,974	13,025
Opt Out	24	4	0	5	59	43	135
Suspend	0	6	6	0	2	5	19
TOTALS	14,796	8,313	7,234	5,700	7,282	16,736	60,061

Intervention Topic	Acuity Level						TOTAL
	LOW	MEDIUM (DM)			HIGH (CM)		
	0	1	2	3	4	5	
Assessment	25	98	106	90	266	149	734
Billing/Claims Inquiry	98	82	24	25	27	22	278
Care Plan Development	151	947	1,082	825	1,400	613	5,018
Discharge coordination	97	46	41	64	375	3,378	4,001
Durable Medical Equipment Coordination	29	61	73	68	79	35	345
Educational materials request	3	7	18	7	9	5	49
Field Visit Scheduling	4	2	5	16	53	34	114
Follow Up	236	582	742	770	1,191	2,239	5,760
Housing concerns	17	14	12	16	32	17	108
IP/ER Discharge Coordination	9,381	5,218	831	1,264	1,300	5,902	23,896
Letter	484	68	1,265	769	725	153	3,464
Medical History Information	88	207	224	178	312	905	1,914
Other	422	246	168	89	100	185	1,210
Outreach Coordination Activities	2,265	310	2,496	1,389	1,232	3,036	10,728
Provider Outreach	25	17	22	20	37	21	142
Referral	1,320	348	103	89	112	21	1,993
Smoking Cessation	38	23	7	8	13	2	91
Transportation Coordination	3	9	5	5	12	5	39
Urgent Medical Concern (CareNet)	123	29	8	5	3	9	177
TOTALS	14,809	8,314	7,232	5,697	7,278	16,731	60,061

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PART 3 INDEPENDENT AND QUALIFIED AGENT SERVICES

Proposer Name: Keystone Peer Review Organization, Inc.

Proposer Authorized Representative: Joseph A. Dougher

1. List each position title and the fully loaded hourly rate for the position. (Add lines as needed.)

Position		Hourly Rate	Annual Hrs	FTE	Annual Cost
a.	Medical Director	\$399.76	95	0.05	\$ 38,057
b.	Executive Director	\$204.13	95	0.05	\$ 19,433
c.	Behavioral/Mental Health Assess	\$103.00	1,904	1.00	\$ 196,107
d.	Administrative Assistant	\$62.74	1,904	1.00	\$ 119,457
e.	Licensed Mental Health Professio	\$94.46	13,852	7.28	\$ 1,308,417
f.	Reporting Analyst	\$66.03	857	0.45	\$ 56,574
	Total Independent and Qualified Agent Services		18,707	9.83	\$ 1,738,045

2. Cost Proposal – Eligibility Determination

Time estimate for completion (hours)

2,711

Direct Labor/Personnel:

\$ 72.11 per hour

Direct Non Labor:

\$ 3.94 per hour

Indirect or Overhead

\$ 11.41 per hour

PROPOSED HOURLY RATE

\$ 87.46 per hour

Description of calculation method and additional information:

The price is based on completion of 2,200 annual eligibility and/or redetermination reviews. In addition to the Licensed Mental Health Professional and the Behavioral Health Manager, hours include allocated time of the Executive Director, Administrative Assistant, and Data Analyst. Direct non-labor costs include an allocated share of the Native American Liasion support as well as a proportionate share of data processing, user licenses, telephone and equipment costs. KEPRO's national experience in eligibility determination affords us the opportunity to share best practice and implement efficiency measures. This experience informs our calcuations. Based on 2,711 hours estimated to support 2,200 members, the annual cost of Eligibility Determinations would be \$237,124.

3. Cost Proposal – Independent Assessments

Time estimate for completion (hours)

7,386

Direct Labor/Personnel:

\$ 72.09 per hour

Direct Non Labor:

\$ 13.70 per hour

Indirect or Overhead

\$ 12.87 per hour

PROPOSED HOURLY RATE

\$ 98.66 per hour

Description of calculation method and additional information:

KEPRO conducts more than 35,000 Independent Assessments for Medicaid programs across the nation. We have developed proprietary software which streamlines our processes, measures the accuracy of the review, and provides detailed reports. Knowing the terrian of Oregon offers us the ability to accurately project travel assumptions as well. Our price for Oregon is based on completion of 2,200 annual on-site independent assessments. In addition to the Licensed Mental Health Professionals and the Behavioral Health Manager, hours include allocated time of the Executive Director, Administrative Assistant, and Data Analyst. Direct non-labor costs include LMHP travel costs, an allocated share of the Native American Liasion support as well as a proportionate share of data processing, user licenses, telephone and equipment costs. Based on the estimated 7,386 hours required to perform 2,200 annual assessments, the annual cost would be \$728,694.

4. Cost Proposal – Development of Plans of Care

Time estimate for completion (hours)

3,538

Direct Labor/Personnel:

\$ 75.76 per hour

Direct Non Labor:

\$ 3.92 per hour

Indirect or Overhead

\$ 11.95 per hour

PROPOSED HOURLY RATE

\$ 91.64 per hour

Description of calculation method and additional information:

The price is based on completion of 2,200 annual Care Plans. Again, KEPRO will utilize its proprietary software to expedite care plan development, allowing for individualized customization. Our electronic advancements also enhance our ability to track individual progress and adjust as client needs change. In addition to the Licensed Mental Health Professionals and the Behavioral Health Manager, hours include allocated time of the Executive Director, Medical Director, Administrative Assistant, and Data Analyst. Direct non-labor costs include an allocated share of the Native American Liasion support as well as a proportionate share of data processing, user licenses, telephone and equipment costs. Based on the estimated 3,538 hours required to complete and support the development of 2,200 Plans of Care, the annual cost would be \$324,204.

5. Cost Proposal – Medical Appropriateness Reviews

Time estimate for completion (hours)

3,538

Direct Labor/Personnel:

\$ 75.76 per hour

Direct Non Labor:

\$ 3.92 per hour

Indirect or Overhead

\$ 11.95 per hour

PROPOSED HOURLY RATE

\$ 91.64 per hour

Description of calculation method and additional information:

The price is based on preparation of an average of two Medical Appropriateness Reviews for each of 2,200 members. In addition to the Licensed Mental Health Professionals and the Behavioral Health Manager, hours include allocated time of the Executive Director, Medical Director, Administrative Assistant, and Data Analyst. Direct non-labor costs include an allocated share of the Native American Liaison support as well as a proportionate share of data processing, user licenses, telephone and equipment costs.

6. Cost Proposal – Treatment Episode Monitoring

Time estimate for completion (hours)

1,534

Direct Labor/Personnel:

\$ 67.41 per hour

Direct Non Labor:

\$ 2.78 per hour

Indirect or Overhead

\$ 10.53 per hour

PROPOSED HOURLY RATE

\$ 80.72 per hour

Description of calculation method and additional information:

The price is based on on-going Treatment Episode monitoring for 2,200 recipients. In addition to the Licensed Mental Health Professionals and the Behavioral Health Manager, hours include allocated time of the Executive Director, Administrative Assistant, and Data Analyst. Direct non-labor costs include an allocated share of the Native American Liaison support as well as a proportionate share of data processing, user licenses, telephone and equipment costs. Based on 1,534 hours estimated to provide Treatment Episode Monitoring for 2,200 members, the annual cost would be \$123,819.

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PART 4 PERFORMANCE-BASED PAYMENTS

Proposer Name: Keystone Peer Review Organization, Inc.

Proposer Authorized Representative: Joseph A. Dougher

Provide a description of at least one performance-based payment strategy for each of the categories listed below. Provide specific details on the data collection, metrics, benchmarks, performance measures, outputs, and outcomes applicable to the category and the strategy. Describe Proposer's method of determining the payment amount and the payment schedule. Include any consequences for poor performance or not achieving the outcomes.

1. Nurse Triage and Advice Telephone Services

Performance-based Payment Strategy:

Proposed P4P strategy: Answer Nurse Triage Service Line Within 30 Seconds

Data collection—Daily telephony data reporting

Metrics—90% or greater average speed to answer of less than 30 seconds

Benchmarks—90% of all member calls answered within 30 seconds

Performance Measures—Answer 90% or greater nurse triage and advice line member calls within 30 seconds

Outputs—Quarterly and annual reporting on telephony metrics

Outcomes for strategy—Greater than 90% nurse triage calls answered within 30 seconds

Method of determining payment amount- .5% of total nurse triage fees

How or when it would be paid—Payment to be made to vendor within 3 months of completion of Program Year.

Poor performance consequence—Payment of .5% total nurse triage fees, payout by vendor within 3 months of completion of Program Year.

2. Care Coordination and Case Management

Performance-based Payment Strategy:

Proposed P4P strategy: Reduce hospital readmissions within 30 days of discharge

Data collection – Claims feed and hospital census data

Metrics – Greater than 2.5 percentage point improvement

Benchmarks – Current rate measured from 2015 claims

Performance Measures – Reduce member hospital readmissions within 30 days of discharge by more than 2.5% of 2015 benchmark readmission rate

Outputs – Quarterly and annual reporting on hospital readmissions within 30 days of discharge

Outcomes for strategy – Reduction of inpatient readmissions within 30 days of discharge

Method of determining payment amount—Up to .75% of total PMPM fees, payout by incremental performance:

Improvement Performance:	
<i>≥ 2.5 Percentage Point Improvement</i>	100.00%
<i>≥ 2 and < 2.5 Percentage Point Improvement</i>	80.00%
<i>≥ 1.5 and < 2 Percentage Point Improvement</i>	60.00%
<i>≥ 1 and < 1.5 Percentage Point Improvement</i>	40.00%
<i>≥ .5 and < 1 Percentage Point Improvement</i>	20.00%
<i>< .5 Percentage Point Improvement</i>	0.00%

How or when it would be paid—Payment to be made to vendor within 6 months of completion of Program Year.

Poor performance consequence—Payment of .75% total annual PMPM fees, payout by vendor within 6 months of completion of Program Year.

3. Independent and Qualified Agent Services

Performance-based Payment Strategy:

Proposed P4P strategy: Decrease wait time for individuals waiting to be discharged from the OR State Hospital

Data collection—Hospital census data, hospital discharge waiting list data

Metrics—Decrease time on waitlist to discharge, from Oregon State Hospital

Benchmarks—To be provided by OHA

Performance Measures—To decrease average time on waitlist to discharge, from Oregon State Hospital, by 10%

Outputs—Monthly, quarterly, annual State Hospital waitlist reporting

Outcomes for strategy—Decrease in waitlist times for OR State Hospital members

Method of determining payment amount—Up to .75% of total IQAS fees, payout by incremental performance:

Improvement Performance:	
<i>≥ 10 Percentage Point Improvement</i>	100.00%
<i>≥ 8 and < 10 Percentage Point Improvement</i>	80.00%
<i>≥ 6 and < 8 Percentage Point Improvement</i>	60.00%
<i>≥ 4 and < 6 Percentage Point Improvement</i>	40.00%
<i>≥ 2 and < 4 Percentage Point Improvement</i>	20.00%
<i>< 2 Percentage Point Improvement</i>	0.00%

How or when it would be paid—Payment to be made to vendor within 3 months of completion of Program Year.

Poor performance consequence—Payment of .75% total annual IQAS fees for no reduction in wait time, payout by vendor within 3 months of completion of Program Year.